

CITY OF TIGARD, OREGON

ORDINANCE NO. 01- 10

AN ORDINANCE CREATING A DOWNTOWN ECONOMIC IMPROVEMENT DISTRICT, ADOPTING AN ECONOMIC IMPROVEMENT PLAN FOR THE DOWNTOWN ECONOMIC IMPROVEMENT DISTRICT AND CALLING FOR A PUBLIC HEARING ON PROPOSED ASSESSMENTS AND SURCHARGES

WHEREAS, The Tigard Central Business District Association requested that the City to create an economic improvement district in the downtown area (the "Downtown Economic Improvement District") and;

WHEREAS, The City Council held public hearings on June 12, 2001, and July 10, 2001, on the issue of the formation of the Downtown Economic Improvement District and;

WHEREAS, Written notice was provided to most property and business owners within the proposed district at least 30 days prior to the June 12 hearing and written notice was provided to all other property and business owners within the district at least 30 days before the July 10, 2001, hearing and;

WHEREAS, The City Council has considered the testimony offered at the public hearings concerning the formation of the Downtown Economic Improvement District and;

WHEREAS, The City Council has reviewed the Economic Improvement Plan for the proposed Downtown Economic Improvement District and;

WHEREAS, The City Council has determined that the proposed economic improvements would result in a special and peculiar benefit to non-residential properties and businesses within the proposed Downtown Economic Improvement District different in kind and degree from that afforded to the general public, and therefore, that the Downtown Economic Improvement District should be established.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

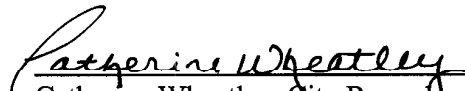
- SECTION 1: The Downtown Economic Improvement District is hereby formed in the territory shown on the map attached hereto as Exhibit 1 and incorporated by this reference.
- SECTION 2. The Economic Improvement Plan for the Downtown Economic Improvement District attached hereto as Exhibit 2 and incorporated by this reference is hereby adopted.
- SECTION 3. Properties and businesses within the Downtown Economic Improvement District shall each bear a portion of the costs of the district. The annual amount proposed for assessment against non-residential properties within the district totals \$26,667 (\$27,104) per year, to be spread as detailed in Section 5 of the Economic Improvement Plan. The amount proposed to be paid as business tax surcharges is \$26,667 (\$27,104) per year.

The remainder of the estimated \$90,000 annual cost is to be paid by the City and by revenues generated by the Downtown Economic Improvement District.

- SECTION 4. Notice of proposed assessments and business tax surcharges shall be mailed or personally delivered to the owner of each lot to be assessed or business to be charged. The notice shall state the amount of the assessment proposed on the property of the owner receiving the notice, or the surcharge to the owner of the business receiving the notice, or both.
- SECTION 5. A public hearing shall be scheduled at which affected property owners or business owners may appear to support or object to the proposed charge. The notice required by Section 4 shall state the time and place of the public hearing, which shall be held no sooner than 30 days after the mailing or personal delivery of the notices.
- SECTION 6. The City Finance Director shall prepare the proposed assessment for each lot and file it with the City Recorder.
- SECTION 7. Assessments will not be made and the Downtown Economic Improvement District project will be terminated if written objections are received at or before the public hearing from owners of property upon which more than 33% of the total amount of assessments is levied or from more than 33% of persons conducting business within the economic improvement district who will be subject to the proposed business tax surcharge.

This ordinance shall be effective 30 days after its passage by the Council, signature by the Mayor, and posting by the City Recorder.

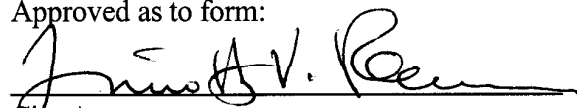
PASSED: By majority vote of all Council members present after being read by number and title only, this 10th day of July, 2001.


Catherine Wheatley, City Recorder

APPROVED: By Tigard City Council this 10th day of July, 2001.


James E. Griffith, Mayor

Approved as to form:


City Attorney

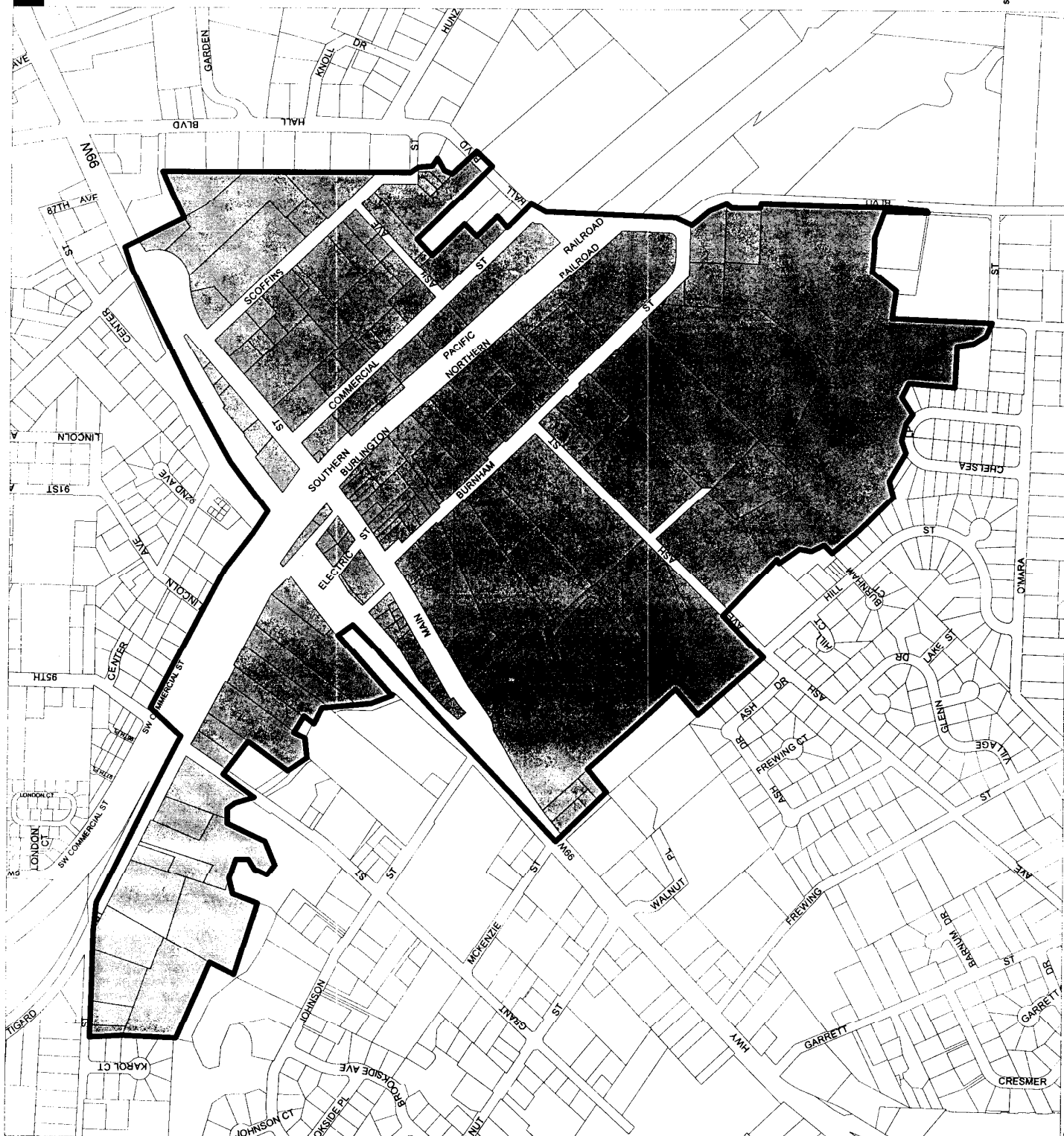
July 10, 2001
Date

GEOGRAPHIC INFORMATION SYSTEM

Economic Improvement District

**Tigard Central Business District
Association Area**

EXHIBIT



Information on this map is for general location only and should be verified with the Development Services Division.

13125 SW Hall Blvd
Tigard, OR 97223
(503) 639-4171

(503) 639-4171
<http://www.ci.tigard.or.us>

Community Development

Plot date: May 2, 2001; C:\magic\Magic03.apr



MEMORANDUM

CITY OF TIGARD, OREGON

13125 SW Hall Boulevard
Tigard, Oregon 97223
(503) 639-4171
Fax 684-7297

TO: Mayor Griffith, City Council Members

FROM: James N.P. Hendryx, Director of Community Development

DATE: June 12, 2001

SUBJECT: Economic Improvement Plan – Tigard Central Business District Association

The City Council adopted Ordinance 01-01 on April 10, 2001 creating Chapter 13.12 of the Tigard Municipal Code which establishes procedures for the creation of an Economic Improvement District.

What is an Economic Improvement District? An Economic Improvement District is a type of assessment district in which property and/or business owners choose to be assessed a fee, collected by the City, for use in promoting and improving the business area. The concept of the Economic Improvement District is similar to a LID (Local Improvement District). However, rather than funding streets, sidewalks and other capital improvements as an LID does, an Economic Improvement District is meant to fund the many non-physical projects of a revitalization program. These might include: business retention and recruitment, planning, promotion/marketing, maintenance and management.

In order to form an Economic Improvement District Council must adopt an Economic Improvement Plan which includes:

1. A description of economic improvements proposed to be carried out, with any appropriate phasing plan or schedule;
2. The number of years, to a maximum of five, in which assessments are proposed to be levied;
3. A preliminary estimate of annual cost of the proposed economic improvements;
4. The proposed boundaries designated by map or perimeter description of an Economic Improvement District within which subject properties would be assessed to finance the cost of the economic improvement;
5. The proposed formula for assessing the cost of economic improvements against subject properties. The formula may be an assessment based on the assessed value or area of the property involved, or a surcharge on the business tax on any business, trade, occupation or profession carried on or practiced in the Economic Improvement District, or both;

6. A statement whether the property assessment will be a voluntary assessment or mandatory assessment;
 - A. If voluntary, that the scope and level of improvements could be reduced depending on the amount of money collected;
 - B. If mandatory, that the assessment will be considered a tax under the Oregon Constitution, Article XI Section 11(b) and may be reduced to fit within the property tax limitation, thereby affecting the level and scope of services described.
7. If applicable, information about the organization requesting the creation of the Economic Improvement District;
8. Reasons why the Economic Improvement District should be created;
9. If applicable, a list of anticipated agreements between the proposed Economic Improvement District and other organizations;
10. The administration fee, if any, to be paid to the City for administering the Economic Improvement District.

Following adoption of the enabling ordinance, two public hearings are required. The purpose of the first public hearing is to announce the intention of the City Council to undertake the economic improvement project and to assess benefited property for a part or all of the cost for such improvements. Public notice must be sent to all property and business owners advising of the hearing and explaining the EID/BID. This is the first forum where the whole community is able to provide public input on the EID/BID. The Oregon Downtown Development Association (ODDA) recommends avoiding efforts to change the proposal drastically at the first hearing since most owners already know what to expect and changing the proposal may shake their confidence in the proposal, as well as assessment amounts. The first public hearing is tentatively scheduled for July 10, 2001 (continued from June 12, 2001).

The second public hearing must be held no sooner than 30 days after the initial hearing. The second hearing is tentatively scheduled for August 14, 2001, pending Council's action on July 10, 2001. At the second public hearing Council may approve the EID/BID, provided written remonstrances are not received from businesses and property owners who represent 33%, or more, of the total assessments to be collected.

PROPOSED ECONOMIC IMPROVEMENT PLAN:

1. **A description of economic improvements proposed to be carried out, with any appropriate phasing plan or schedule;**

The Tigard Central Business District Association states "the EID/BID will protect the investment that we've made in our community. It will enable us to help shape the future of the downtown and complete beautification projects that will ensure a stronger business climate, better jobs, and a more attractive community we can all be proud of."

Proposed Program

- ♦ Two part-time positions – Downtown Manager and administrative support
- ♦ Professional assistance from the Oregon Downtown Development Association
- ♦ Flower baskets and street beautification
- ♦ Increased recognition of the business community
- ♦ Training seminars for businesses
- ♦ Promotions (Easter, Sidewalk Sale, Halloween, Christmas, and Tigard Blast)
- ♦ Clean and safe activities
- ♦ Street amenities

2. **The number of years, to a maximum of five, in which assessments are proposed to be levied;**

The EID/BID would be assessed for five years.

3. **A preliminary estimate of annual cost of the proposed economic improvements;**

♦ Salaries	\$41,000
♦ Equipment	\$ 500
♦ Office	\$10,520
♦ Professional services	\$ 3,980
♦ Design & beautification	\$ 3,000
♦ Training	\$ 3,000
♦ Promotions	\$18,500
♦ Contingency	<u>\$10,000</u>
TOTAL	\$90,500

4. **The proposed boundaries designated by map or perimeter description of an Economic Improvement District within which subject properties would be assessed to finance the cost of the economic improvement;**

Attachment 1 identifies the Tigard Central Business District Boundaries and the boundaries of the proposed EID/BID which are one in the same.

5. **The proposed formula for assessing the cost of economic improvements against subject properties, which formula may be an assessment based on the assessed value or area of the property involved, or a surcharge on the business tax on any business, trade, occupation or profession carried on or practiced in the Economic Improvement District, or both;**

TCBDA is proposing a separate assessment for commercial property and business owners. Property assessment would be based upon the acreage of the property and whether they are on or off of Main Street and range from a low of \$118 - \$804 per year. Businesses would be assessed \$132 - \$170. The formula established a 25% differential for properties and businesses on and off Main Street. Main Street businesses and properties benefit to a higher degree than those off of Main Street and, therefore pay the higher rate.

6. **A statement whether the property assessment will be a voluntary assessment or mandatory assessment;**

Assessments would be mandatory.

- 6.B. **If mandatory, that the assessment will be considered a tax under the Oregon Constitution, Article XI Section 11(b) and may be reduced to fit within the property tax limitation, thereby affecting the level and scope of services described;**

The consolidated tax rate for downtown Tigard is \$6.4522, which is below the \$10.00 limit. The proposed assessment for the Economic Improvement District when combined is the consolidate tax rate remains below the limitation.

7. If applicable, information about the organization requesting the creation of the Economic Improvement District;

The Tigard Central Business District Association was formed on October 14, 1998 for the purpose of promoting the economic health and development of the Central Business District of Tigard. Regular updates on the activities and efforts of the Association have been reported to the Council since their formation.

8. Reasons why the Economic Improvement District should be created;

It is an opportune time for downtown revitalization in Tigard through partnership efforts of the Tigard Central Business District Association (TCBDA) and the City. The downtown is experiencing a recent, and notable reinvestment in commercial properties. Other opportunities are emerging as well. This type of reinvestment shows belief in and commitment to the city's central core as a place to do business. The City has shown its commitment in the downtown by providing support to TCBDA. The Economic Improvement District creates a long-term partnership with business and commercial property owners for the continued strengthening of Tigard's downtown.

9. If applicable, a list of anticipated agreements between the proposed Economic Improvement District and other organizations;

Not applicable.

10. The administration fee, if any, to be paid to the City for administering the Economic Improvement District.

Funding for the TCBDA would come from four areas. Commercial property owners would contribute \$26,667, business owners would contribute \$26,667, and promotions would generate \$10,000. The City's contribution is estimated at \$26,667. However, should the City want to recover the costs for coordinating the billing of assessments, an additional \$874 would need to be charged annually. Total business and commercial property owner assessments would increase to \$27,104 respectively. The cost is for billing and receipting of assessments, and does not address any efforts to collect any delinquent accounts.

Other considerations for creating an EID/BID

- ♦ **An EID may be an assessment on the value of the property or in may be a fee paid by property owners. The assessments cannot exceed 1% of the total assessed value of properties within the district.**

Total assessment value of the commercial properties within in the TCBDA equals \$51,938,390. One percent of the assessed value equals \$519,383.90. The total assessment proposed is \$26,667.

- ♦ **Only commercial properties may be assessed within the district. Prorating is required for mixed-use properties containing residential uses.**

Only commercial properties or portions of mixed-use properties containing residential uses and businesses will be assessed under the proposed funding method.

- ♦ **EID assessments may not include property in residential use.**

Residential properties will not be assessed.

- ♦ **The EID must be established through City Council process.**
 - ❖ Two formal hearings are held by the City Council.
 - ❖ Written objections called remonstrance from owners of 33% of the property upon which the total amount of assessment is levied stops the EID process.

Two formal hearings will be held by Council to consider the formation of an EID/BID. The first will be held on July 10, 2001. The second is tentatively scheduled for August 14, 2001, at which time written remonstrances will be tallied in accordance to statute.

Summary and Recommendation

The Tigard Central Business District Association was formed in 1998 in an effort to promote and revitalize the downtown. Stable funding is critical for their continued success. The proposed Economic Improvement District establishes a framework for the TCBDA to continue their efforts. Staff recommends that Council proceeds with formation of the district and schedules the second public hearing.